

Susana Martinez
Governor

Demesia Padilla, CPA
Cabinet Secretary

DIVISIONS

Office of the Secretary
(505) 827-0341
Administrative Services
(505) 827-0369
Audit and Compliance
(505) 827-0900
Motor Vehicle
(505) 827-2296
Property Tax
(505) 827-0870
Revenue Processing
(505) 827-0800
Tax Fraud Investigation
(505) 827-0354

Date: February 4, 2015

Memo to: Chairman Larry A. Larrañaga, House Appropriation & Finance Committee

From: Demesia Padilla, CPA, Cabinet Secretary, N.M. Taxation and Revenue Department

Subject: General Fund Consensus Revenue Estimate

Summary

In keeping with a time-proven tradition, the Consensus Revenue Estimating Group (CREG) - professional economists at the Taxation and Revenue Department (TRD), the Department of Finance and Administration (DFA), the Department of Transportation (DOT), and the Legislative Finance Committee (LFC) - worked together to produce the consensus revenue estimate.

Table 1 provides a summary of the February 2015 revisions to previously-estimated revenues contained in the most recent consensus forecast, which was released in December of 2014.

Table 1
February 2015 Consensus General Fund Recurring Revenue Outlook
(Millions of Dollars)

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
December 2014 Estimate	\$6,041	\$6,120	\$6,292	\$6,572	\$6,840	\$7,120
February 2015 Revisions	\$0	-\$5	-\$58	-\$50	-\$34	-\$43
February 2015 Consensus	\$6,041	\$6,115	\$6,234	\$6,523	\$6,806	\$7,077
Annual Change	\$332	\$75	\$119	\$289	\$283	\$271
Annual Percent Change	5.8%	1.2%	2.0%	4.6%	4.3%	4.0%

Revenue declines in FY15 of \$5 million and in FY16 of \$58 million are largely due to further weakness in oil and gas receipts from what was estimated in December. Some of this weakness is partially offset by strength in Gross Receipts Tax, Compensating Tax, and Income Taxes. After these revisions FY15 is expected to grow by 1.2 percent, FY16 by 2.0 percent, and FY17 by 4.6 percent.

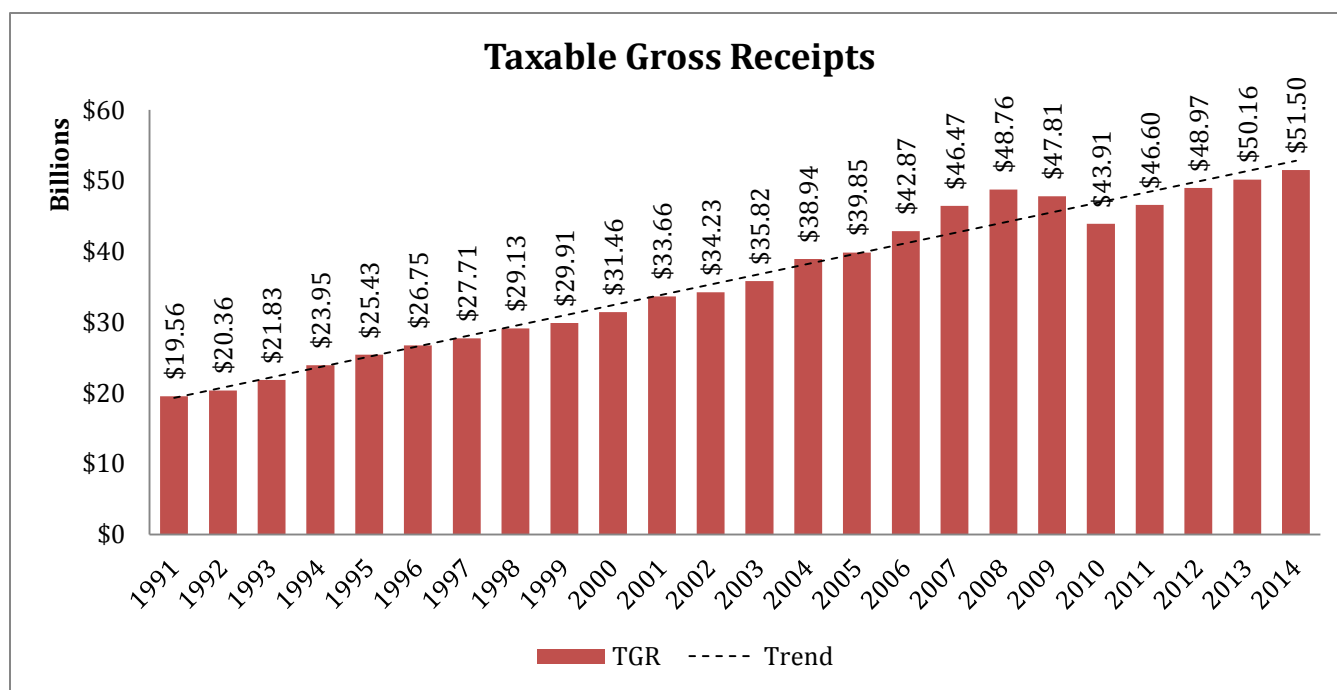
“New money” – FY16 recurring revenue less FY15 recurring appropriations – is estimated at \$83 million, equivalent to about 1.3 percent of FY15 recurring appropriations.

Gross Receipts Taxes

In the first five months of FY15, taxable gross receipts (TGR) have increased approximately nine percent over the same time period of FY14, eclipsing the all-time high TGR and increasing the forecast in the short term. However, there are two forces applying pressure in opposing directions. TRD forecasts GRT revenues using historical data and indicators provided by UNM’s Bureau of Business and Economic Research, including variables for private wage and salary and employment for the mining and construction sectors. Compared with the December forecast, private wage and salary is stronger but employment for the mining and construction sectors is weaker. In the short term, the recent strength in actual GRT has exerted the stronger, upward pressure on the forecast.

Figure 1 shows that TGR have shown a consistent pattern of growth very close to the long term trend since 1991, with the exception of the years between 2008 and 2011: The period of time leading up to and through the Great Recession. FY14 TGR grew by \$936 million over FY13, an increase of just under two percent, which is similar to the long term growth rate.

Figure 1: Taxable Gross Receipts



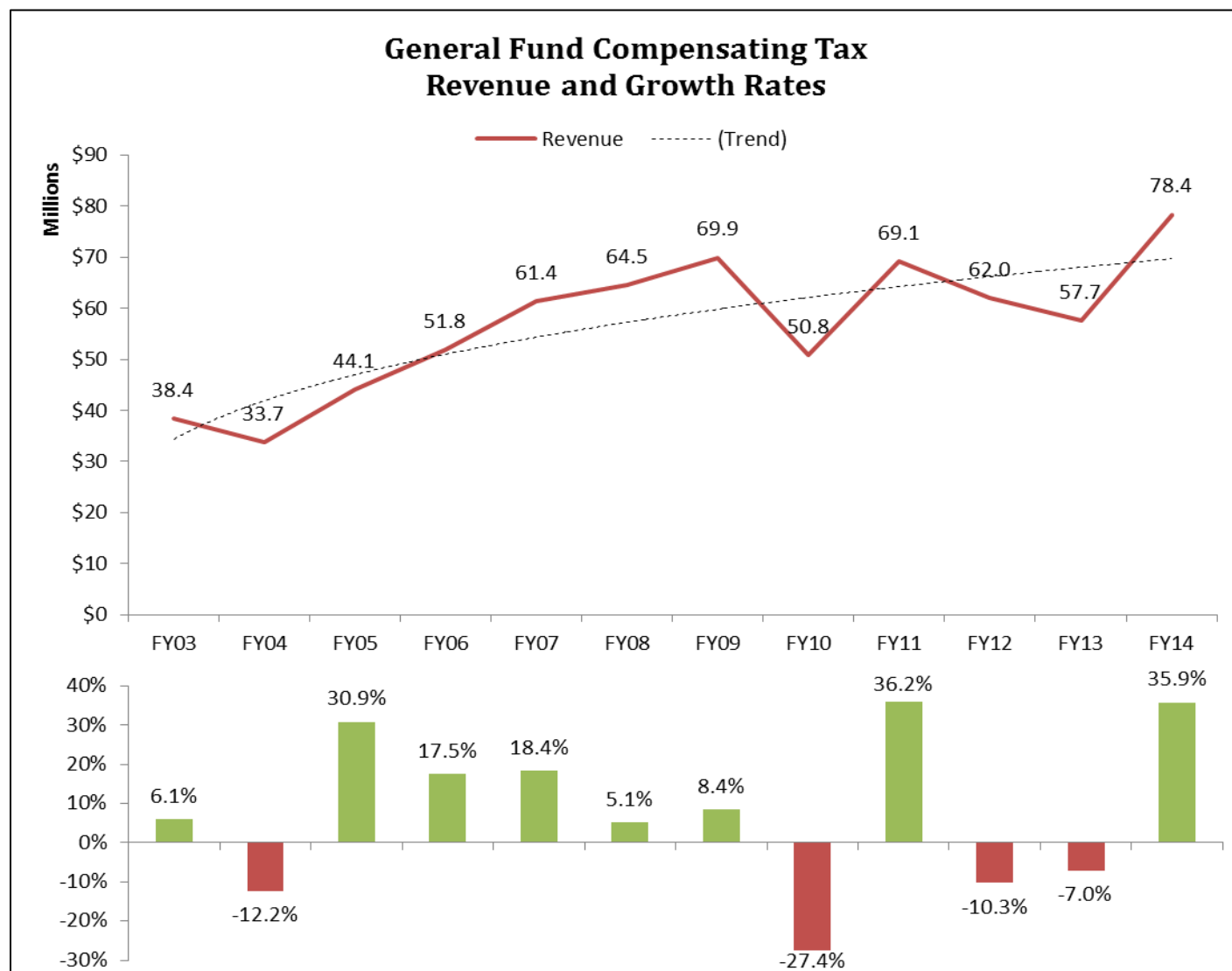
Compensating Taxes

FY14 was a record year for compensating tax. However, over the past several years this revenue has become increasingly volatile and difficult to forecast. Year to year up and down swings have increased in frequency and

magnitude: over the past five years, no two consecutive years have shown increases. Figure 2 illustrates the changes since FY03.

Almost 25 percent of compensating tax was paid by taxpayers in the extractive (oil and gas) industries in FY14. Downward pressure on oil prices is likely to have a negative impact on compensating tax in these sectors. While compensating tax in the first two quarters of FY15 is high, the recent volatility in historical compensating tax revenues and low oil prices are enough to dampen expectations.

Figure 2: Compensating Tax



Personal Income Taxes

Personal income taxes came in slightly stronger than anticipated in FY14. Though weak, growth is expected in PIT in all forecast years, strong personal income and a strong second quarter in FY15 accounts for the difference in December forecast.

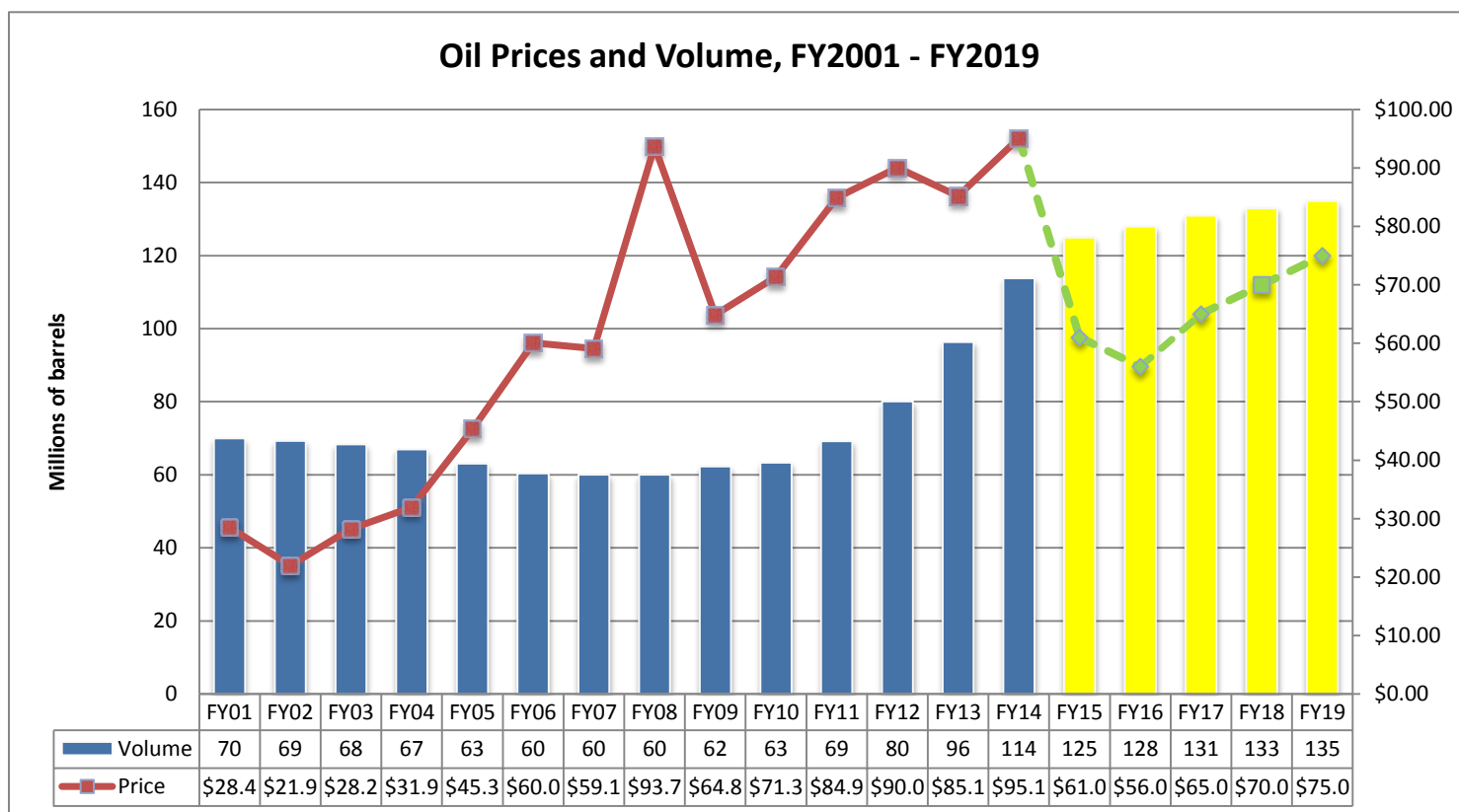
Corporate Income Taxes

Corporate Income Tax (CIT) collections were revised upward to reflect higher year-to-date revenue. The upward revisions of revenues from December forecast is also due to upward revisions of our economic indicators such as the Congressional Budget Office (CBO) which projects a significant increase in revenues extending to 2016 due to reduced tax liabilities by the ongoing expansions as reflected in growing compensating taxes. According to CBO, revenues as a share of GDP are projected to grow by two-thirds of one percentage point over the next year—from 17.7 percent in 2015 to 18.4 percent in 2016—and then remain near that level through 2025. TRD anticipates that taxpayers will make lower estimated payments in the second half of the year which tempers the growth in FY15 and FY16.

Severance Taxes

The weaker Severance Tax forecast largely relates to higher year-over-year oil production volumes but much lower oil prices which appear to provide a sustainable base-level of production through the forecast period, while revenues from natural gas production and prices continue to decline. Figure 3 illustrates that declines in oil prices do not necessarily lead to declines in production. The chart also includes the forecasted prices and volumes.

Figure 3: Oil Prices and Volumes



Natural Resource Extractive Sectors

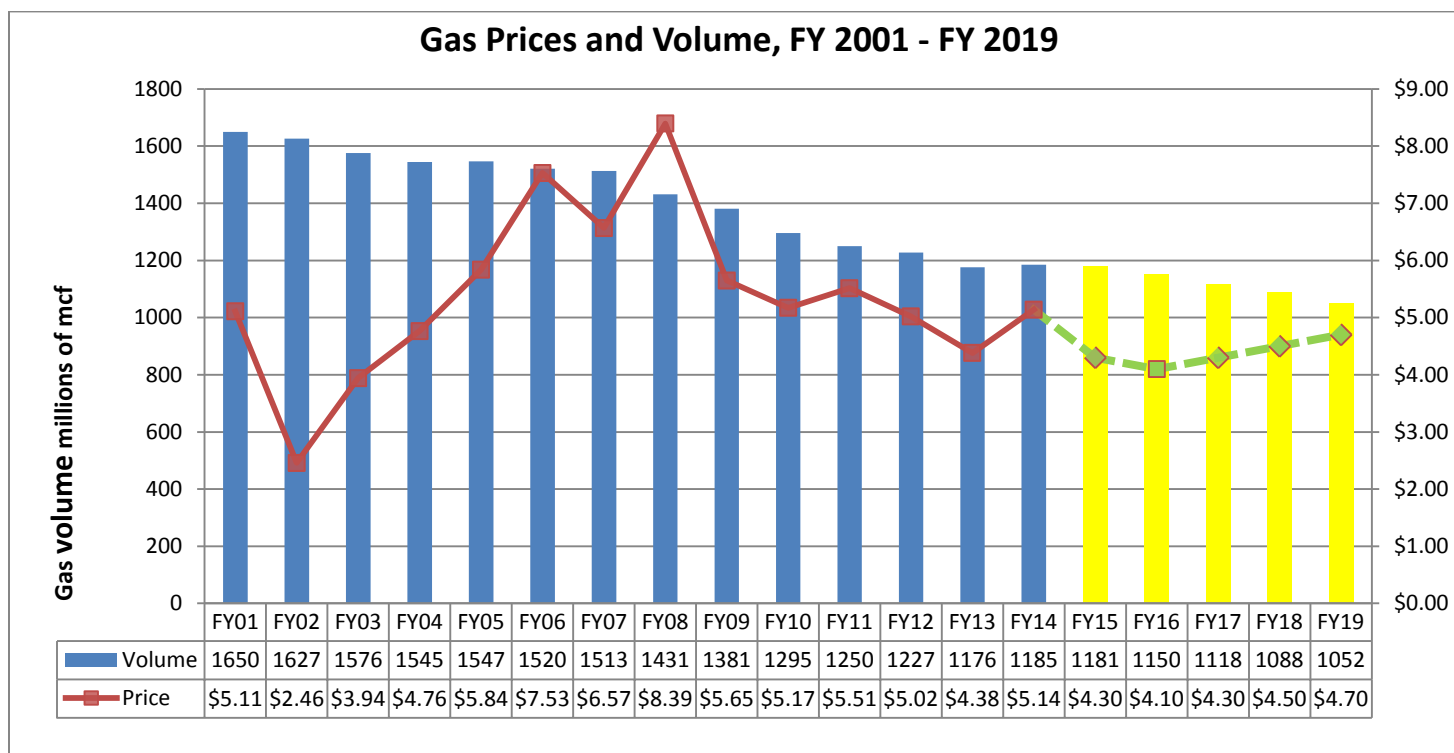
Oil exploration and production continue to show considerable strength. However, New Mexico oil prices have been much lower than previously expected. New Mexico crude oil price was \$95.10 in FY14, \$0.04 lower than the December 2014 forecast. The CREG now expects New Mexico oil prices to average \$61.00 in FY15 and \$56.00 in FY16, showing a \$10.00 decrease for FY15 and FY16 from the December 2014 forecast.

Crude oil production in New Mexico increased 18.2% in FY14, reaching 113.9 million barrels. The CREG also expects production to increase gradually over the next few years. A 9.8% increase is estimated in FY2015, and 2.4% in FY2016.

Natural gas prices in New Mexico averaged approximately \$5.14 in FY14. The consensus group now expects New Mexico gas prices to average \$4.30 in FY15 and \$4.10 in FY16, showing a \$0.60 decrease in FY15 and \$0.80 decrease in FY16 from the December 2014 forecast.

For the first time in a decade, NM natural gas production increased 0.74% in FY14. In recent activity months, the natural gas production continues to show some strength compared to the same period of FY14. The CREG is expecting total production to be 1,181 billion cubic feet in FY15 and 1,150 billion cubic feet in FY16. Figure 4 shows the history and forecasted natural gas prices and volumes.

Figure 4: Gas Prices and Volumes



Looking Forward

The New Mexico economy appears to have settled into a pattern of slow but stable growth (see Attachment 2). Nationally, GDP forecasts were revised upward in FY15 due in part to a strong third-quarter (July – September) growth. Part of the strength results from solid employment growth, though participation rates (the number of people working or looking for work) have declined three percent since the end of the recession and is at its lowest level since 1978 according to IHS Economics. Overall GDP grew 2.5 percent in FY14 and is expected to grow 3.1 percent in FY15, and 2.6 percent in FY16.

Inflation grew 1.6 percent in FY14 and is expected to grow 0.6 percent in FY15 and 1.5 percent in FY16. Nationally business investment spending has grown this year with much of the growth in information processing equipment, R&D and light-vehicle sales.

According to the Bureau of Business and Economic Research (BBER), New Mexico non-agricultural employment grew 0.5 percent in FY14 and is expected to continue at 0.9 percent in FY15 and in FY16 at 1.2 percent. Personal income growth was 0.5 percent in FY14 and was revised up from December to 3.5 percent in FY15 and 3.9 percent in FY16. Private wages and salaries were revised up from December and grew 2.4 percent in FY14 and are expected to grow 4.4 percent in FY15 and 4.5 percent in FY16. Total wages and salaries grew 1.7 percent in FY14 and are expected to grow 3.6 percent in FY15 and 3.9 percent in FY16.

Risks to the Forecast

As mentioned in December, the New Mexico Supreme Court granted cert in the *Eunice v. State of New Mexico Taxation and Revenue Department* case when it granted the Department's Motion for Rehearing. Should the Court of Appeal's decision in the *Eunice v. State of New Mexico Taxation and Revenue Department* stand, the decision creates a risk to the GRT forecast. The Department estimates the future potential impact to the general fund at \$20 million per year.

As mentioned in December, the 2001 Gaming Compact expires at the end of FY15. There are five tribes under the 2001 compact and nine tribes under the 2007 compact. Because the forecast assumes that there will be no changes to law and because the compacts have not been renewed, there is a \$20 million revenue loss to the tribal revenue sharing estimate starting in FY16 from the five tribes.

Claims for the High Wage Jobs Tax Credit (HWJTC) have significantly reduced as a result of the 2013 legislative changes. The HWJTC continues to be a risk as TRD has \$90 million in HWJTC denials in protest. If the Department loses every protest, about half would potentially be paid in FY15 and the other half in FY16. This is a liability to the revenue estimate that has not been included.

General Fund Consensus Revenue Estimate February 2015

Appendix 1

	FY14			FY15					FY16				
	Unaudited	% Change from FY13	\$ Change from FY13	Dec 2014 Est.	Feb 2015 Est.	Change from Prior	% Change from FY14	\$ Change from FY14	Dec 2014 Est.	Feb 2015 Est.	Change from Prior	% Change from FY15	\$ Change from FY15
Gross Receipts Tax	1,992.0	3.9%	74.4	2,090.0	2,129.0	39.0	6.9%	137.0	2,195.0	2,235.5	40.5	5.0%	106.5
Compensating Tax	78.4	53.9%	27.5	63.9	75.0	11.1	-4.3%	(3.4)	65.9	69.5	3.6	-7.3%	(5.5)
TOTAL GENERAL SALES	2,070.4	5.2%	101.8	2,153.9	2,204.0	50.1	6.5%	133.6	2,260.9	2,305.0	44.1	4.6%	101.0
Tobacco Taxes	78.5	-8.8%	(7.6)	79.0	79.0	-	0.7%	0.5	78.1	78.1	-	-1.1%	(0.9)
Liquor Excise	26.4	0.4%	0.1	26.7	26.7	-	1.3%	0.3	6.7	6.7	-	-74.9%	(20.0)
Insurance Taxes	115.1	7.0%	7.5	140.0	140.0	-	21.7%	24.9	183.0	183.0	-	30.7%	43.0
Fire Protection Fund Reversion	16.1	-12.2%	(2.2)	14.9	14.9	-	-7.4%	(1.2)	13.8	13.8	-	-7.4%	(1.1)
Motor Vehicle Excise	133.3	6.2%	7.8	141.3	143.3	2.0	7.5%	10.0	145.6	146.6	1.0	2.3%	3.3
Gaming Excise	66.5	5.4%	3.4	67.9	67.9	-	2.2%	1.4	68.1	68.1	-	0.3%	0.2
Leased Vehicle Surcharge	5.2	4.7%	0.2	5.2	5.2	-	-0.1%	(0.0)	5.2	5.2	-	0.0%	-
Other	2.9	-217.5%	5.4	1.1	1.1	-	-64.3%	(1.9)	2.4	2.4	-	128.6%	1.4
TOTAL SELECTIVE SALES	443.9	4.3%	14.7	476.1	478.1	2.0	7.7%	34.2	502.9	503.9	1.0	5.4%	25.9
Personal Income Tax	1,254.9	1.1%	14.0	1,305.0	1,315.0	10.0	4.8%	60.1	1,345.0	1,360.0	15.0	3.4%	45.0
Corporate Income Tax	196.8	-26.3%	(70.4)	215.0	230.0	15.0	16.9%	33.2	210.0	225.0	15.0	-2.2%	(5.0)
TOTAL INCOME TAXES	1,451.7	-3.7%	(56.4)	1,520.0	1,545.0	25.0	6.4%	93.3	1,555.0	1,585.0	30.0	2.6%	40.0
Oil and Gas School Tax	500.7	31.8%	120.8	421.1	370.0	(51.1)	-26.1%	(130.7)	408.6	347.0	(61.6)	-6.2%	(23.0)
Oil Conservation Tax	27.2	31.1%	6.5	22.7	20.0	(2.7)	-26.6%	(7.2)	22.1	19.0	(3.1)	-5.0%	(1.0)
Resources Excise Tax	13.0	-3.5%	(0.5)	12.7	12.7	-	-2.4%	(0.3)	12.7	12.7	-	0.0%	-
Natural Gas Processors Tax	16.2	-33.1%	(8.0)	19.0	19.0	-	17.3%	2.8	21.0	20.0	(1.0)	5.3%	1.0
TOTAL SEVERANCE TAXES	557.1	27.1%	118.8	475.5	421.7	(53.8)	-24.3%	(135.4)	464.4	398.7	(65.7)	-5.5%	(23.0)
LICENSE FEES	51.7	3.3%	1.7	51.6	51.6	-	-0.1%	(0.1)	51.8	51.8	-	0.3%	0.2
LGPF Interest	449.4	1.9%	8.5	496.2	496.2	-	10.4%	46.8	545.6	553.2	7.6	11.5%	57.1
STO Interest	19.0	28.9%	4.3	15.0	15.0	-	-21.0%	(4.0)	35.0	35.0	-	133.3%	20.0
STPF Interest	170.5	-3.2%	(5.7)	182.7	182.7	-	7.2%	12.2	193.6	193.6	-	6.0%	10.9
TOTAL INTEREST	638.9	1.1%	7.1	693.9	693.9	-	8.6%	55.0	774.2	781.8	7.6	12.7%	88.0
Federal Mineral Leasing	569.9	24.0%	110.2	532.0	510.0	(22.0)	-10.5%	(59.9)	487.0	420.0	(67.0)	-17.6%	(90.0)
State Land Office	47.5	6.4%	2.8	47.5	40.9	(6.6)	-13.9%	(6.6)	47.5	39.7	(7.8)	-2.8%	(1.2)
TOTAL RENTS & ROYALTIES	617.3	22.4%	113.1	579.5	550.9	(28.6)	-10.8%	(66.4)	534.5	459.7	(74.8)	-16.5%	(91.2)
TRIBAL REVENUE SHARING	67.6	-4.4%	(3.1)	70.0	70.0	-	3.6%	2.4	53.3	53.3	-	-23.9%	(16.7)
MISCELLANEOUS RECEIPTS	45.0	9.1%	3.7	46.6	46.6	-	3.5%	1.6	49.9	49.9	-	7.2%	3.3
REVERSIONS	96.5	46.8%	30.8	53.0	53.0	-	-45.1%	(43.5)	45.0	45.0	-	-15.1%	(8.0)
TOTAL RECURRING	6,040.1	5.8%	332.1	6,120.0	6,114.7	(5.3)	1.2%	74.6	6,291.9	6,234.1	(57.8)	2.0%	119.4
TOTAL NON-RECURRING	0.4	-35.2%	(0.2)	-	-	-	-100.0%	(0.4)	-	-	-	na	-
GRAND TOTAL	6,040.5	5.8%	331.9	6,120.0	6,114.7	(5.3)	1.2%	74.2	6,291.9	6,234.1	(57.8)	2.0%	119.4

General Fund Consensus Revenue Estimate February 2015

Appendix 1

	FY17					FY18					FY19				
	Dec 2014 Est.	Feb 2015 Est.	Change from Prior	% Change from FY16	\$ Change from FY16	Dec 2014 Est.	Feb 2015 Est.	Change from Prior	% Change from FY17	\$ Change from FY17	Dec 2014 Est.	Feb 2015 Est.	Change from Prior	% Change from FY18	\$ Change from FY18
Gross Receipts Tax	2,292.0	2,333.8	41.8	4.4%	98.4	2,384.0	2,427.2	43.2	4.0%	93.4	2,483.0	2,529.1	46.1	4.2%	101.9
Compensating Tax	70.4	75.7	5.3	8.9%	6.2	70.5	74.9	4.4	-1.1%	(0.8)	72.7	73.4	0.7	-2.0%	(1.5)
TOTAL GENERAL SALES	2,362.4	2,409.5	47.2	4.5%	104.6	2,454.5	2,502.1	47.6	3.8%	92.6	2,555.7	2,602.5	46.8	4.0%	100.4
Tobacco Taxes	77.4	77.4	-	-0.9%	(0.7)	76.4	76.4	-	-1.3%	(1.0)	75.7	75.7	-	-0.9%	(0.7)
Liquor Excise	6.9	6.9	-	3.0%	0.2	26.1	26.1	-	278.3%	19.2	28.9	28.9	-	10.7%	2.8
Insurance Taxes	213.0	213.0	-	16.4%	30.0	226.0	226.0	-	6.1%	13.0	237.0	237.0	-	4.9%	11.0
Fire Protection Fund Reversion	12.8	12.8	-	-7.2%	(1.0)	11.9	11.9	-	-7.0%	(0.9)	10.7	10.7	-	-10.1%	(1.2)
Motor Vehicle Excise	149.9	149.9	-	2.3%	3.3	152.9	152.9	-	2.0%	3.0	156.0	156.0	-	2.0%	3.1
Gaming Excise	68.3	68.3	-	0.3%	0.2	68.5	68.5	-	0.3%	0.2	68.8	68.8	-	0.4%	0.3
Leased Vehicle Surcharge	5.2	5.2	-	0.0%	-	5.2	5.2	-	0.0%	-	5.2	5.2	-	0.0%	-
Other	2.4	2.4	-	0.0%	-	2.4	2.4	-	0.0%	-	2.4	2.4	-	0.0%	-
TOTAL SELECTIVE SALES	535.9	535.9	-	6.4%	32.0	569.4	569.4	-	6.3%	33.5	584.7	584.7	-	2.7%	15.3
Personal Income Tax	1,405.0	1,405.0	-	3.3%	45.0	1,465.0	1,453.0	(12.0)	3.4%	48.0	1,530.0	1,505.0	(25.0)	3.6%	52.0
Corporate Income Tax	217.0	235.0	18.0	4.4%	10.0	175.0	200.0	25.0	-14.9%	(35.0)	163.0	180.0	17.0	-10.0%	(20.0)
TOTAL INCOME TAXES	1,622.0	1,640.0	18.0	3.5%	55.0	1,640.0	1,653.0	13.0	0.8%	13.0	1,693.0	1,685.0	(8.0)	1.9%	32.0
Oil and Gas School Tax	435.1	387.0	(48.1)	11.5%	40.0	454.5	412.0	(42.5)	6.5%	25.0	471.6	437.0	(34.6)	6.1%	25.0
Oil Conservation Tax	23.8	21.0	(2.8)	10.5%	2.0	24.9	23.0	(1.9)	9.5%	2.0	26.0	24.0	(2.0)	4.3%	1.0
Resources Excise Tax	12.7	12.7	-	0.0%	-	12.7	12.7	-	0.0%	-	12.7	12.7	-	0.0%	-
Natural Gas Processors' Tax	19.0	16.0	(3.0)	-20.0%	(4.0)	18.6	16.0	(2.6)	0.0%	-	17.9	15.0	(2.9)	-6.3%	(1.0)
TOTAL SEVERANCE TAXES	490.6	436.7	(53.9)	9.5%	38.0	510.7	463.7	(47.0)	6.2%	27.0	528.2	488.7	(39.5)	5.4%	25.0
LICENSE FEES	51.9	51.9	-	0.2%	0.1	52.0	52.0	-	0.1%	0.1	52.0	52.0	-	0.1%	0.0
LGPf Interest	540.2	547.2	7.0	-1.1%	(6.0)	595.1	602.0	7.0	10.0%	54.8	648.1	654.7	6.6	8.8%	52.7
STO Interest	65.0	65.0	-	85.7%	30.0	75.0	75.0	-	15.4%	10.0	80.0	80.0	-	6.7%	5.0
STPF Interest	203.5	203.5	-	5.1%	9.8	216.6	216.6	-	6.4%	13.1	227.2	227.2	-	4.9%	10.7
TOTAL INTEREST	808.7	815.7	7.0	4.3%	33.9	886.6	893.6	7.0	9.6%	77.9	955.3	961.9	6.6	7.6%	68.4
Federal Mineral Leasing	505.0	445.0	(60.0)	6.0%	25.0	528.0	480.0	(48.0)	7.9%	35.0	550.0	505.0	(45.0)	5.2%	25.0
State Land Office	47.5	39.7	(7.8)	-0.1%	(0.0)	47.0	40.9	(6.1)	2.9%	1.2	47.0	43.1	(3.9)	5.4%	2.2
TOTAL RENTS & ROYALTIES	552.5	484.7	(67.8)	5.4%	25.0	575.0	520.9	(54.1)	7.5%	36.2	597.0	548.1	(48.9)	5.2%	27.2
TRIBAL REVENUE SHARING	56.2	56.2	-	5.4%	2.9	58.4	58.4	-	3.9%	2.2	60.5	60.5	-	3.6%	2.1
MISCELLANEOUS RECEIPTS	52.2	52.2	-	4.5%	2.2	53.0	53.0	-	1.6%	0.9	53.9	53.9	-	1.6%	0.9
REVERSIONS	40.0	40.0	-	-11.1%	(5.0)	40.0	40.0	-	0.0%	-	40.0	40.0	-	0.0%	-
TOTAL RECURRING	6,572.3	6,522.7	(49.5)	4.6%	288.6	6,839.6	6,806.0	(33.6)	4.3%	283.2	7,120.3	7,077.3	(43.0)	4.0%	271.3
TOTAL NON-RECURRING	-	-	-	na	-	-	-	-	na	-	-	-	-	na	-
GRAND TOTAL	6,572.3	6,522.7	(49.5)	4.6%	288.6	6,839.6	6,806.0	(33.6)	4.3%	283.2	7,120.3	7,077.3	(43.0)	4.0%	271.3

U.S. and New Mexico Economic Indicators

Appendix 2

		FY14		FY15		FY16		FY17		FY18		FY19	
		Dec14 Forecast	Feb15 Forecast	Dec14 Forecast	Feb15 Forecast	Dec14 Forecast	Feb15 Forecast	Dec14 Forecast	Feb15 Forecast	Dec14 Forecast	Feb15 Forecast	Dec14 Forecast	Feb15 Forecast
National Economic Indicators													
GI	US Real GDP Growth (annual avg. ,% YOY)*	2.5	2.5	2.7	3.1	2.5	2.6	3.2	2.9	3.0	2.4	2.7	2.6
Moody's	US Real GDP Growth (annual avg. ,% YOY)*	2.5	2.5	2.7	3.2	3.6	3.7	3.2	3.2	2.7	2.7	2.1	2.1
GI	US Inflation Rate (CPI-U, annual avg., % YOY)**	1.6	1.6	1.6	0.6	1.3	1.5	1.8	2.3	2.0	2.4	2.1	2.5
Moody's	US Inflation Rate (CPI-U, annual avg., % YOY)**	1.6	1.6	1.7	1.2	2.1	1.9	2.6	2.7	3.0	2.9	2.8	2.8
GI	Federal Funds Rate (%)	0.08	0.08	0.15	0.15	0.91	0.91	2.46	2.46	3.73	3.73	3.75	3.75
Moody's	Federal Funds Rate (%)	0.08	0.08	0.10	0.11	1.06	1.05	3.06	2.96	3.94	3.84	4.03	3.93
New Mexico Labor Market and Income Data													
BBER	NM Non-Agricultural Employment Growth	0.5	0.5	0.9	0.9	1.3	1.2	1.3	1.4	1.1	1.1	1.06	1.00
Moody's	NM Non-Agricultural Employment Growth	0.0	0.0	0.5	1.8	1.4	1.7	1.5	1.4	0.9	1.0	0.8	0.9
BBER	NM Nominal Personal Income Growth (%)***	0.5	0.5	3.0	3.5	4.1	3.9	4.9	4.5	5.0	4.8	4.7	4.5
Moody's	NM Nominal Personal Income Growth (%)***	0.5	0.5	2.5	3.6	2.6	3.0	4.2	3.9	3.9	4.1	3.9	4.2
BBER	NM Total Wages & Salaries Growth (%)	1.7	1.7	3.5	3.6	3.9	3.9	4.2	4.4	4.1	4.1	4.1	4.1
Moody's	NM Total Wages & Salaries Growth (%)	1.7	1.7	2.3	3.3	4.7	4.7	4.7	4.9	4.3	4.7	4.4	5.0
BBER	NM Private Wages & Salaries Growth (%)	2.4	2.4	4.3	4.4	4.5	4.5	4.5	4.7	4.3	4.4	4.3	4.4
BBER	NM Real Gross State Product (% YOY)	1.7	1.7	2.5	2.6	2.5	2.6	3.0	2.8	3.1	2.5	2.7	2.6
Moody's	NM Real Gross State Product (% YOY)	1.4	1.4	1.1	1.3	2.5	2.5	2.1	2.2	1.9	1.7	1.7	1.6
New Mexico Oil and Natural Gas Values													
CREG	NM Oil Price (\$/barrel)	\$95.14	\$95.13	\$71.00	\$61.00	\$66.00	\$56.00	\$72.00	\$65.00	\$76.00	\$70.00	\$80.00	\$75.00
CREG	NM Taxable Oil Volumes (million barrels)	113.4	113.9	122.0	125.0	127.0	128.0	131.0	131.0	133.0	133.0	135.0	135.0
	NM Taxable Oil Volumes (%YOY growth)	20.4%	20.9%	7.6%	9.7%	4.1%	2.4%	3.1%	2.3%	1.5%	1.5%	1.5%	1.5%
CREG	NM Gas Price (\$ per thousand cubic feet)****	\$5.13	\$5.14	\$4.90	\$4.30	\$4.90	\$4.10	\$4.95	\$4.30	\$5.10	\$4.50	\$5.20	\$4.70
CREG	NM Taxable Gas Volumes (billion cubic feet)	1,187	1,185	1,181	1,181	1,150	1,150	1,118	1,118	1,088	1,088	1,052	1,052
	NM Taxable Gas Volumes (%YOY growth)	1.0%	0.9%	-0.5%	-0.3%	-2.6%	-2.6%	-2.8%	-2.8%	-2.7%	-2.7%	-0.0331	-3.3%

TRD Notes

* Real GDP is BEA chained 2009 dollars, billions, annual rate

** CPI is all urban, BLS 1982-84=1.00 base.

***Nominal Personal Income growth rates are for the calendar year in which each fiscal year begins.

Sources: BBER - January 2015 FOR-UNM baseline. Global Insight - January 2015 baseline.

DFA Notes

****The gas prices are estimated using a formula of NYMEX, EIA, and Moody's (November) future prices as well as a liquid premium based on oil price forecast.

Sources: Moody's Analytics, January baseline forecast for national and New Mexico data.